

Testimony
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Mr. Chairman and Members of the Committee, we appreciate the opportunity to submit testimony concerning Air Traffic Congestion and Capacity in the Chicago, Illinois Region and Its Effect on the National Air Traffic System. We thank Chairman Hollings and the members of the Committee for their willingness to focus on proposals to expand airport capacity in and around Chicago.

There is no question that O'Hare Airport has powered the economy of the Chicago area and much of the midwest region. It has created hundreds of thousands of jobs and contributed billions of dollars to the economy. The city of Chicago has done an outstanding job of attracting new international air service, while engineering Midway Airport's rebirth as one of the premier, low-fare, new entrant airports in the country.

But, for the last several years, there has been less to boast about when it comes to aviation in our region. Strong demand for air travel has outstripped the available airport capacity at O'Hare and has forced the airlines to maintain schedules that leave no margin for error in poor weather. A single rainstorm can throw the entire schedule of flights into chaos causing delays and cancellations to ripple across the country.

It has been clear for some time, that there is an aviation capacity crisis in the Chicago area. Addressing delays requires addressing capacity – the two issues are interrelated. Competition, fares and service in the midwest, however, should also be considered in any action to solve the delay and capacity problems. Those specific concerns will be discussed in the latter part of our testimony.

Almost twenty years ago, the Federal Aviation Administration (FAA) recognized the pressing need for additional airport capacity. In its 1984 Record of Decision approving the last layout plan for O'Hare Airport, the FAA recommended that the Illinois Department of Transportation study the "... development of another air carrier airport to serve the Chicago Metropolitan Area...."

Between 1984 and 1993, the state of Illinois, in cooperation with the states of Indiana and Wisconsin, the city of Chicago and the FAA, has conducted five airport studies that have evaluated a total of seventeen different sites. The airlines, business leaders and suburban communities were active participants in those studies. Over time, the studies have narrowed the number of viable sites down from fifteen to five to one. The best and most viable site for Chicago's third major airport is the proposed South Suburban Airport north of Peotone in eastern Will County.

Once the best site was identified, the state of Illinois proceeded with the necessary engineering studies. As a result of the state's efforts (listed below), the South Suburban Airport is ready to move forward.

- In 1994, the state of Illinois initiated Phase I Engineering to prepare a master plan, an Environmental Assessment and a financial feasibility analysis for the development of the South Suburban Airport.

- In 1998, the state of Illinois completed the Environmental Assessment, which was submitted to FAA for review and approval.
- On March 3, 1999, the state of Illinois submitted a revised plan for an “Inaugural Airport” at the Peotone site to the FAA. This submittal included additional data on the initial operations for a one-runway airport.
- On January 27, 2000, the state of Illinois submitted to the FAA a proposal to begin a ‘tiered’ Environmental Impact Statement (EIS) for the purpose of beginning land acquisition.
- On May 23, 2000, the FAA agreed to begin the preparation of a ‘Tiered’ EIS document.
- On February 21, 2001, Governor George H. Ryan announced the Illinois Department of Transportation would begin land acquisition at the Will County airport site.
- On March 7, 2001, the Illinois Department of Transportation began advertising for consultants to handle land acquisition from willing sellers.
- On April 4, 2001, the Illinois Department of Transportation opened the Matteson project office and began the land acquisition process by accepting applications from willing sellers and hardship cases.

The South Suburban Airport will supplement O’Hare and Midway and will be capable of growing to meet future demand. The Inaugural stage of the airport could be operational in less than five years at a cost of under \$600 million. The entire 23,000-acre footprint will allow the construction of six parallel runways, with all objectionable noise, air pollution and water runoff retained on site. Such an airport will meet air carrier demand for 20 years, and beyond.

Expanding the aviation capacity of the Chicago Region is and has been a paramount objective of the state of Illinois. The South Suburban Airport has been the vehicle for this expansion.

Providing improved service with competitive air fares will also be impacted by the approach taken to increasing capacity in the Chicago region. Through a series of studies undertaken by the Illinois Department of Transportation since 1996, it became evident that increased capacity was, and remains, necessary to:

- **Ensure reasonable competition:** O’Hare is a fortress hub of two powerful airlines, American and United who, with affiliates, control 88 percent of domestic passenger operations. These two airlines have prevented other airlines from establishing a competitive presence at O’Hare. Many airlines are unable to expand in the Chicago market.

- **Restore competitive airfares:** The lack of competition has caused airfares, post 1995 at O'Hare, to skyrocket. According to US DOT data, O'Hare's fares per mile were 21 percent above the average of the 68 large and medium hub airports in 1995; by 1999, O'Hare's fares were 34 percent higher. Lack of competition and higher fares affect, not only Chicago residents and businesses, but also the economies of other midwestern communities that rely on Chicago Area Airports and their gateways to national and global economies.
- **Prevent loss of non-stop service from O'Hare:** In 1996, Illinois Department of Transportation research predicted that, without expanding the region's aviation capacity, at least 44 cities (mostly midwestern) would, by 2020, lose service to O'Hare and, through O'Hare, to the national aviation system. Those losses would occur in stages. First, fares to these markets would increase, reducing demand. This would lead to fewer flights and, eventually, to abandonment of service. That forecast proved to be accurate. The feared service loss and abandonments are on target. To date, the hardest hit communities have been mid-size cities in Illinois and Iowa.

The South Suburban Airport will create competition, by providing a new airport for airlines wanting to enter the Chicago market. It will also provide airport access to the 2.5 million underserved people who live on the south side of Chicago, its south suburbs and northwest Indiana.

For now, however, we need to look at the existing air systems. While delays at O'Hare continue to grow, underutilized airports in the region may provide opportunities for short-term relief. On March 21, 2001, the department wrote letters to United and American Airlines, urging them to make maximum use of the Greater Rockford Airport to relieve congestion at O'Hare.

In addition, at the urging of the FAA, the city has convened the second Chicago Delay Task Force in a decade. The task force has initiated its evaluation of the problems at O'Hare and will make recommendations in six to nine months. The state of Illinois is an active participant and looks forward to working with the city and the FAA to examine all methods to reduce delays.

With all of this new awareness of delays, there is much talk, in many circles, about runways. Some critics have said that Governor Ryan is standing in the way of O'Hare runway expansion. While he has not been a proponent of runways at O'Hare, he has never rejected a plan to alter or add runways there because no plan has ever been forwarded by the city of Chicago.

Because the city has not forwarded a plan, the rush to consider new runways leaves a myriad of unanswered questions. If runways are added to O'Hare, will that solve the delay problems at O'Hare... and if yes, for how long? What are the costs of this plan... not only in dollars but also the costs to people in terms of noise and displacements? What are the environmental consequences of these runways? How would these consequences be remediated? Will they meet current federal and state

laws and regulations? Since no environmental work has been initiated, how long will it take to construct the runways... is an estimate of 7, 8 or even 10 years unreasonable? And finally, how do new runways at O'Hare compare, in terms of costs, benefits, and environmental and social impacts to the state's plan for the South Suburban Airport?

No one knows the answers to these questions because an expansion plan for O'Hare does not currently exist. For that reason, Governor Ryan has asked the city to submit a plan for O'Hare. The city has agreed to submit at least a conceptual plan by the beginning of July.

Within the last few months, in part because of the call to action from civic organizations, members of Congress and state and local officials, the heated debate about airport capacity has become a more rational dialogue. The state of Illinois believes that the South Suburban Airport is critical to the development of a long-term solution to delay problems in Chicago and throughout the nation.

Finally, we will work diligently with the Delay Task Force to identify solutions for O'Hare, and we will discuss and review any proposal brought forward by the city.